JUN 6 1957
JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. ~~1060~~ 166

C. S. JOHNSON COMPANY, *Petitioner*

v.

MURLE W. STROMBERG, dba CALIFORNIA BATCHING EQUIPMENT CO., DOE I, DOE II, AND DOE III, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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MERLE W. STROMBERG, dba CALIFORNIA BATCHING EQUIPMENT CO., DOE I, DOE II, AND DOE III, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit, entered in the above-entitled case on March 29, 1957.

OPINIONS BELOW

The opinion of the District Court was given orally (R. 650) and has not been printed in the official re-

ports. It is printed as Appendix A hereto. The opinion of the Circuit Court of Appeals (R. 657) is reported in 242 F. 2d 793, 113 USPQ 105 and is printed as Appendix B hereto.

JURISDICTION

The judgment of the Circuit Court of Appeals is dated March 29, 1957, and was entered on March 29, 1957 (R. 668). A petition for rehearing was duly filed and was denied without opinion on May 8, 1957 (R. 669). The jurisdiction of the Court is invoked under the Act of June 25, 1948, C. 646(1), 62 Stat. 928(1), 28 U.S.C. 1254(1).

QUESTIONS PRESENTED

I. Does the 1952 revision of the Patent Law (Act of July 19, 1952, C. 950, § 1, 66 Stat. 812) permit patentees to be surprised at trial by the admission of unnoticed evidence for which the statute specifically requires that thirty days written notice be given, which evidence is offered by a dilatory or neglectful defendant to anticipate the invention, and where only after trial the court grants an opportunity to investigate?

II. Are papers found in a corporation's files admissible under 28 U.S.C. 1732(a) to prove the happening of an act, where the writings on such papers were purportedly made before the act sought to be proved by them, and where no one testified that they were made in the regular course of business?

III. Does a purported prior use anticipate a patent claim where there is no evidence to support the specific combination of elements claimed and no evidence that the function of the patented invention was performed?

STATUTES INVOLVED

Question "I" involves the Patent Act of 1952, 66 Stat. 792, specifically 35 U.S.C. 282 which provides in pertinent part as follows:

> "SECTION 282. PRESUMPTION OF VALIDITY; DEFENSES
>
> "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.
>
> * * * * *
>
> "In actions involving the validity or infringement of a patent the party asserting invalidity or noninfringement shall give notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of, any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires."

Question "II" involves the Judicial Code, 62 Stat. 899, specifically 28 U.S.C. 1732(a), which provides in pertinent part as follows:

> "SECTION 1732. RECORD MADE IN REGULAR COURSE OF BUSINESS—
>
> "(a) In any court of the United States and in any court established by Act of Congress, any writing or record, whether in the form of an entry in

a book or otherwise, made as a memorandum or record of any act, transaction occurrence, or event, shall be admissible as evidence of such act, transaction, occurrence or event, if made in the regular course of any business and if it was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence or event or within a reasonable time thereafter.

"All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but such circumstances shall not affect its admissibility."

* * * * *

Question "III" involves the Patent Act of 1952, 66 Stat. 792, specifically 35 U.S.C. 102 which provides in pertinent part as follows:

"SECTION 102, CONDITIONS FOR PATENTABILITY; NOVELTY AND LOSS OF RIGHT TO PATENT.

"A person shall be entitled to a patent unless—

* * * * *

"(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or"

* * * * *

Note: Section 4(d) of the Act of July 19, 1952 provides:

"The period of one year specified in section 102(b) of Title 35 as enacted by section 1 hereof shall not apply in the case of applications filed before August 5, 1940, and patents granted on such applications, and with respect to such appli-

cations and patents, said period is two years instead of one year."

STATEMENT OF THE CASE

On August 25, 1954, petitioner, C. S. Johnson Company, filed a complaint alleging infringement of C. S. Johnson patent No. 2,138,172, by respondent Merle W. Stromberg. The jurisdiction of the District Court was invoked by petitioner under 28 U.S.C. § 1338(2). On October 23, 1954, respondent filed an answer (R. 10) not identifying a prior use defense which is the sole ground for holding invalid claims 1 and 5 of the patent (R. 650; Appendix A; Appendix B, p. 5a).

The case was originally set for trial on July 25, 1955. At that time respondent failed to file the trial memorandum required by Rule 12 of the District Court (R. 16, 53-75). For other reasons the case was then crowded off calendar.

As recognized by the Court below. (Appendix B, p. 5a), respondent caused and apparently welcomed delay. Indeed, his conduct was such that his attorney, H. Calvin White, found himself forced to withdraw from the case. (R. 43-45.) The order granting the Motion to withdraw was filed October 3, 1955. (R. 46.)

On November 29, 1955, petitioner's patent expired, leaving petitioner with only a claim for damages for past infringement, the prayer for an injunction having become moot.

On December 8, 1955, petitioner's counsel was notified by telephone that new counsel for respondent had been retained. (R. 50.)

On February 10, 1956, respondent filed a Notice under 35 U.S.C. 282, identifying two patents which would be relied upon as anticipations (R. 46). However, at the trial these two patents were not relied upon and were not even mentioned.

On February 24, 1956, respondent filed, without supporting affidavit, a Motion for Continuance in which he stated that he wanted to investigate a purported prior use at Warren, Ohio, and needed the additional time so that he could give the notice required by 35 U.S.C. 282. (R. 47-48.) The request was denied.

On Wednesday, March 7, 1956, respondent filed his Pre-Trial Memorandum (R. 53-75) in which the defense of prior use was not even mentioned.

On Tuesday, March 13, 1956, sixteen months after issue had been joined, the trial commenced. So far as petitioner was aware, the only issues were infringement and validity over the patents and publications which had been noticed under the provisions of 35 U.S.C. 282.

On Tuesday afternoon, at the conclusion of the direct testimony of petitioner's first witness, respondent's counsel informed the court that his client had found out "the middle of last week" about a batching plant "that was built in San Francisco in 1931", (R. 157), and asked for permission to put in evidence on the prior use. After objection by petitioner's counsel (R. 163-165), the District Court refused to rule on the matter but indicated that he would probably allow the witnesses to testify (R. 166). *At this point petitioner still was not given the identity or location of the purported prior use or the names and addresses of the persons having knowledge of it, as required by 35*

U.S.C. 282. The trial then continued with the remainder of the first three days being devoted to testimony by expert and other witnesses on the questions of infringement, commercial success and of invention over the two file reference patents upon which respondent was ostensibly relying for his defense.

On Friday, the last day of trial, over petitioner's objection (R. 473 et seq.) respondent produced his three surprise witnesses whose identity was kept secret until each took the witness stand. The first, Murasko, was working in Los Angeles, the place of trial and had known respondent for three years (R. 514, 515). He, without benefit of any record, other than a drawing which was improperly placed before him (R. 474, 485), testified as to dates and details of a batching apparatus he operated in San Francisco on Alabama Street in the early 1930's and which was dismantled in 1947. (R. 472-517) *His testimony was the first notice.*

Immediately after conclusion of Murasko's direct examination the District Court invited petitioner's counsel to enter a motion to strike (R. 495). Collateral to making the motion, petitioner's counsel mentioned that the patent had expired and the only remedy being sought was damages for past infringement, after which the following discussion occurred:

> "The Court: You mean to say the only thing you are interested in in this case is damages?
>
> "Mr. Sellers: Yes your Honor.
>
> "The Court: It is not a question of the establishment of your patent?
>
> "Mr. Sellers: The patent has expired, your Honor.

"The Court: So what you are fighting for here is damages?

"Mr. Sellers: That is correct.

"The Court: The motion is denied." (R. 496)

The second witness, Cornett, also without benefit of personal records and with a sketch prepared by Murasko before him, testified as to details relating to the Alabama Street plant in the early 1930's. (R. 517-547, 585-598.)

However, neither Murasko or Cornett testified that the purported Alabama Street apparatus performed the function taught by the patent in suit or that it contained one element specifically described in one of the claims in suit.

The third witness, Bodinson testified that he found a sundry collection of copies of drawings and shop orders in his company's files which purportedly related to the apparatus installed in the Alabama Street plant (R. 547-575). All he had to say regarding the content of the papers was what he read from the papers themselves. All of the papers were purportedly made prior to the construction of the apparatus sought to be proven by them. Bodinson testified that he had nothing to do with the papers at the time of the 1931-35 dates they carried and that at no later date did he compare them with the Alabama Street apparatus (R. 579, 580).

Bodinson was not even able to establish that the specific papers sought to be admitted under 28 U.S.C. 1732(a) were made in the regular course of business. He admitted and the District Court recognized that at the time of their making he was only a 16-17 year old

student working as a painter's helper on Saturdays (R. 576, 578). The only testimony Bodinson gave regarding policy of regular business practice in his company was that which existed subsequent to 1940, the year he took over the business (R. 548, 581, 582).

No other testimony was given to connect the papers with the act sought to be proven by them or to establish their having been made in the regular course of business.

Concerning his observation of the plant as a boy, Bodinson testified that the batch floor was above ground and covered with galvanized sheeting (R. 577).

The trial was then recessed until 2:00 P.M., April 23, 1956. At the conclusion of oral arguments on that date the District Court informally rendered his opinion that the claims read on the San Francisco plant and because of that are illegal and void (R. 650, Appendix A). The Court declined to discuss the complete absence of evidence as to certain of the claim limitations (R. 651).

The District Court's judgment was entered on May 18, 1956. On June 12, 1956, petitioner noted an appeal.

After a hearing on March 7, 1957, the Court below entered judgment on March 29, 1957 (R. 668), affirming the District Court.

REASONS FOR GRANTING THE WRIT

The reasons relied on for granting of the writ are the following:

1. All three questions presented are important to orderly judicial procedure in the determination of patent infringement causes. The questions are of gen-

eral concern in all patent litigations, and comprise portions of the basic framework for determining the issues of a patent case.

The second question presented is one of general application to civil actions, dealing with an often presented question of evidence.

2. The Court of Appeals erred in construing the decisions of this Court and arrived at statutory interpretations far removed from the intent of Congress and the language of the statute.

3. The decision of the Court of Appeals is in conflict with the decisions of other Court of Appeals.

I

THE COURT OF APPEALS ERRED IN READING OUT OF SECTION 282, TITLE 35 U.S.C. THE REQUIREMENT FOR THIRTY DAYS NOTICE BEFORE TRIAL

The Question of Notice Under Section 282, Title 35, U.S.C. Is Present in Every Patent Case

The basic issue of judicial procedure presented by the first question of this petition is whether or not an accused infringer need give notice of the special defenses to be relied on at least thirty days prior to trial.

It is the rare patent case today, and has been so in the past, in which special defenses were not relied on by the accused. For over one hundred and sixty-four years, the patent statutes have contained a requirement for notice of specified defenses, including prior uses and prior sales.

> Sec. 6, Act of 1793, 1 Stat. 318
> Sec. 15, Act of 1836, 5 Stat. 117
> Sec. 61, Act of 1870, 16 Stat. 198, subsequently R.S. 4920 as amended
> Sec. 282, Act of 1952, 66 Stat. 792

Whether or not a patentee can rely on the thirty day notice is a matter of wide importance to patentees and to the legal profession engaged in the trial of patent cases. Without a notice requirement, it would never be until after trial that a patentee would know if he had a good cause of action in the first instance. Preparation for trial would be discouraged because of uncertainty as to the issues.

This Court Has Often Upheld the Important Requirement for Notice

The statutory requirement for notice has long been recognized as a rule of evidence. Robinson "The Law of Patents" (1890) Vol. 3, Bk. IV, p. 196-209.

Under prior acts, the requirement for notice has been before this Court for interpretation:

The Act of 1793, *Evans* v. *Hettick*, 7 Wheaton, 453 (1822).
The Act of 1836, *Philadelphia & Trenton R.R.* v. *Stimpson*, 39 U.S. 448 (1840); *Agawam Company* v. *Jordan*, 74 U.S. 583 (1868).
The Act of 1870, *Bates* v. *Coe*, 98 U.S. 31 (1878).

In each instance that the interpretation of the statutory requirement for notice has come before this Court, the defense was held to strict compliance with the statute.

As stated by this Court in *Philadelphia & Trenton R.R.* v. *Stimpson* (Supra) "The object of this most salutary provision is to prevent patentees being surprised at the trial of the cause, by evidence of a nature which they could not be presumed to know or be prepared to meet, and thereby subject them either to most expensive delays, or to a loss of their cause."

The notice requirement of the 1952 Act, does not appear to have been interpreted by any court other than the court below.[1] Thus this is a case of first impression.

Orderly Judicial Procedure Requires a Rule for Notice

The rule requiring notice of special defenses provides for orderly judicial administration. To try a cause already lost by undisclosed evidence in defendant's possession is a needless waste of the court's time and the patentee's assets. A dilatory defendant should be as effectively barred from introducing evidence for which he failed to give the required notice as he would be by a statute of limitations, by a requirement that a notice of appeal be filed within a certain time, by some of the rules of this Court, or by many other "technicalities" in the law.

Indeed, the public use defense itself is a "technicality" which was stated by Learned Hand to be an "anomaly" and "contrary to the underlying theory of the law" (*Gillman* v. *Stern*, 114 F. 2d 28, 31 (C.A. 2, 1940)). Judge Hand's statements pertain to situations where the so-called "public" use, by a complete stranger to the litigation, did not in fact inform the art as to the invention. Such a situation is clearly present under the instant set of facts.

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[1] Although in *Gellman* v. *Friedman*, 143 F. Supp. 283 (D.C. N.Y., 1956) the court on a motion for order to strike interrogatories said:

> "The thirty days notice requirement prescribed by Section 282 of Title 35 U.S.C.A. is designed to give a complainant or patentee notice of what he is to meet at the trial where the specific defenses have not been set forth in the answer. Electric Storage Battery Co. v. Philadelphia Storage Battery Co., D.C. 211 F. 154."

The law may afford a defendant the anomalous technicality of trying to invalidate a patent by reason of an alleged construction by a third party for which the defendant is entitled to no credit whatever, and which did not in fact inform the art as to the invention. However, the defendant is afforded this technicality on condition of giving notice that he is going to claim it.

The Only Exception

The only relaxation of the rule permitted by this Court was announced in *Brown* v. *Piper*, 91 U.S. 37 (1875), where this Court held that the statute was not intended to apply to a thing in the common knowledge and use of the people throughout the country. In that case the unnoticed item was the common household type ice cream freezer.

Under this rule there developed the practice of permitting a defendant to bring in without notice prior patents and publications. But even these were only admitted for showing "state of the art" or what was in common knowledge, and were not admitted for purposes of "anticipation."

Gere v. *Canal Boiler Works*, 33 F. Supp. 558 (D.C. Wash. 1940)
Sodemann Heat & Power Co. v. *Kauffman*, 275 Fed. 593 (8th Circ., 1921)
Crosley Corp. v. *Westinghouse Electric & Mfg. Co.*, 52 F. Supp. 884 (1943) D.C., W.D. Penna.

Section 282 of the 1952 Patent Act Was Intended to Correct Prior Abuses of the Notice Requirement

To eliminate the practice of bringing in without notice prior art references of the "state of the art", the notice provision of the 1952 Patent Act now speci-

fies that prescribed notice must be given for all prior art evidence introduced for showing either "anticipation" or "state of the art" (35 U.S.C. 282, Supra).

House Report No. 1923, May 12, 1952, 82nd Congress, 2d Session; pages 10, 29.

Senate Report No. 1979, June 27, 1952, 82nd Congress, 2d Session, pages 9, 29.

U. S. Cong. & Adm. News 1952, Vol. 2, p. 2507, 2523.

Journal of the Patent Office Society, Vol. 35, No. 7, pages 517, 530.

The legislative history leaves no doubt that the modification of old 35 U.S.C. 69 was to further eliminate surprise at trial.

The dispute centers on the last sentence of the notice paragraph, "In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires.". The only clear reference to the intent of this sentence was made in "Hearings Before Subcommittee No. 3 of the Committee on the Judiciary, House of Representatives, on H.R. 3760, 82nd Congress, 1st Session, (1951)." On page 46 thereof a Report of the Laws and Rules Committee of the American Patent Law Association indicates that, although now brought within the requirement for notice, discretion was given the court regarding the entry without notice of references "showing the state of the art". Other than this comment on an item which since 1875 had not required notice, there is no suggestion anywhere of an intention to make wholly discretionary the requirement for notice on the items for which notice had been strictly required for over a hundred and fifty years.

Instead it clearly appears that in the 1952 Revision of the Patent Law it was the intent to carefully maintain the sound basic principles of our patent system.

> "Some Aspects of the Underlying Legislative Intent of the Patent Act of 1952" 23 Geo. Wash. L. Rev. 658-699 (1955)
> H.R. 1923 (Supra)
> S.R. 1929 (Supra)

Nowhere, except in the opinion of the Court below, is there even a suggestion that Congress intended to take away from patentees a right which has existed by statute since 1793, particularly the right not to be subjected to surprise and prejudice at trial by unnoticed evidence of a prior use offered as an anticipation of their invention.

It is not to be inferred that Congress, in revising and consolidating the laws, intended to change their effect unless such intention is clearly expressed. *United States* v. *Ryder*, 110 U.S. 729, 740; *United States* v. *LeBris*, 121 U.S. 278, 280; *Anderson* v. *Pacific Coast S.S. Co.*, 225 U.S. 187, 198-199; *Fourco Glass Co.* v. *Transmirra Products Corp.*, 353 U.S. 222 (1957).

The Court of Appeals in Effect Repealed the Thirty Day Notice Requirement

Even if it is assumed that Congress intended to relax the requirement for notice, the Court of Appeals erred in holding that

> "The very purpose of the exception, as cast by Congress, was to permit and aid the ascertainment of the truth 'on such terms as the Court requires'. This is true, even though we assume a defendant

or his counsel were dilatory or neglectful in their defense of patent litigation, (a matter upon which we do not here pass judgment).

"The notice provision in the statute is salutary. It should be encouraged, but the rule requiring it has exceptions. The determination when the exception should be ruled rests within the discretion of the trial judge." (Opinion, Court of Appeals, p. 8).

The Court of Appeals has relegated a strict requirement of the statute to a matter of unlimited discretion of the trial judge. It, indeed, gives its blessing to the "dilatory or neglectful" defendant, and in this case, to a defendant who deliberately concealed to obtain the maximum surprise possible.

Such a rule is not only contrary to the intent of the statute, but contrary to the spirit of judicial reform over the past twenty years. The approved exercise of discretion without a showing of diligence or cause, should not be condoned by this Court short of clear statutory command.

The Court of Appeals further erred in approving a procedure in which the proofs were "made at trial" without any specification of the prerequisite "terms". Section 282 clearly enjoins the "proof of said matters . . . at the trial except on such terms as the Court requires". The language of the statute, as well as justice and fairness, demand that the parties know the "terms" required by the trial court at the time the proofs are made. Only then can the parties and their counsel be guided in their conduct of the case.

The effect of the delay by the trial court in specifying "terms" is apparent here. To place a party in the dilemma of guessing as to the trial court's terms until

the close of evidence does not contribute to the "ascertainment of fact" or to orderly trial procedure.

The Court of Appeals further erred in holding the terms intended by the statute included a thirty day recess before final argument. The exception in Section 282 at the least demands that the plaintiff should be placed in no less favorable position by the "terms" required than plaintiff would have been if the prescribed notice had been given. Any other interpretation makes the entire requirement for notice not only useless verbiage but in practice a vicious trap.

In summary, Question I presents a serious question of major importance in the trial procedure of the Federal Courts from the standpoint of judicial administration, of just and fair presentation of facts in substantially all patent litigation, and of clear cut ground rules.

II

THE COURT OF APPEALS ERRED IN HOLDING UNIDENTIFIED PAPERS AS ADMISSIBLE UNDER SECTION 1732(a) OF TITLE 28, UNITED STATES CODE

The Court of Appeals erroneously held that "sufficient foundation" was laid for certain prints of drawings and shops orders where:

1. The papers were purportedly made *prior* to the act, transaction, occurrence or event for which they were offered as proof, and where

2. There was no evidence that they were "*made in the regular course of any business,*" and that "*it was the regular course of such business to make such memorandum or records at the time of such act, transaction, occurrence or event, or within a reasonable time thereafter.*"

The Court of Appeals erroneously reasoned that a contrary holding "would exclude all business records made prior to the employment of present employees, unless they were found admissible under the ancient documents exception." (Opinion, Court of Appeals, pages 10-11).

This Court Has Limited Section 1732(a) to Its True Spirit and Purpose

The interpretation to be given Section 1732(a) was considered by this Court in *Palmer* v. *Hoffman*, 318 U.S. 109, 114, 115 (1943). The question there presented was whether or not an accident report made by a deceased train engineer was admissible under the Act. This Court held such documents were not admissible since they were not "in the regular course of business" of defendant.

In its opinion, this Court referred to the enlargement of the old common-law shop book rule intended by the predecessor to section 1732(a). A portion of the report to the Senate was quoted:

> "The old common-law rule requires that every book entry be identified by the person making it. This is exceedingly difficult, if not impossible, in the case of an institution employing a large bookkeeping staff, particularly when entries are made by machine." (S. Rep. No. 1965, 74th Cong., 2d Sess., pp. 1, 2.)

This Court said of the statutory expansion of the common-law rule:

> "If the Act is to be extended to apply not only to a 'regular course' of a business but also to any 'regular course' of conduct which may have some relationship to business, Congress, not this Court,

must extend it. Such a major change which opens wide the door to avoidance of cross-examination should not be left to implication. Nor is it any answer to say that Congress has provided in the Act that the various circumstances of the making of the record should affect its weight, not its admissibility. That provision comes into play only in case the other requirements of the Act are met."

* * * * *

In the instant case there is no evidence whatever as to the "regular course of business" at the time of the purported making of the papers or until nine years later. Nor was there any evidence that the specific exhibits sought to be admitted were "made in the regular course of business." Bodinson only testified that he had found them in the files.

The decision of the Court of Appeals is clearly at variance with the interpretation of the statute and the ruling of this Court. The door in the Ninth Circuit is wide open to the admission of any document or paper in a corporation's file so long as it precedes any present employee. (Opinion, Court of Appeals, page 14a.)

The Decision of the Court of Appeals Is in Conflict With the Decisions in Other Circuits

Cases in other Circuits have held that the mere presence of papers in the file of a corporation are inadmissible under Section 1732(a), Title 28, United States Code (and its predecessor Section 695, Title 28, United States Code),

John Irving Shoe Co., v. *Dugan*, 93 F. 2d 711 (1st Cir., 1937)

United States v. *Smart*, 87 F. (2d) 3 (5th Cir., 1936)

National Labor Relations Board v. *Sharples Chemicals, Inc.*, 209 F. (2d) 645, 653, 654 (6th Cir., 1954)

Schmeller v. *United States*, 143 F. (2d) 544, 550 (6th Cir., 1954)

William Whitman Co., v. *Universal Oil Products Co.*, 125 Fed. Supp. 137, 145 (D.C. Del., 1954)

Schering Corp. v. *Marzall*, 101 Fed. Supp. 571, 573, 574 (D.C. D.C. 1951).

The Court of Appeals in the present case has erroneously held, in conflict with the above decisions, that the presence of unidentified papers in a corporation's file is sufficient basis for admission, on the ground that authenticating witnesses may be unavailable. (Opinion, Court of Appeals, page 10). Such a reason for admitting papers cannot be sustained unless supported by statute or the common-law exceptions to the hearsay rule. No such exception exists. Moreover, in the instant case there was no evidence that authenticating witnesses were unavailable.

The Papers and Drawings Were Erroneously Admitted to Prove a Subsequent Fact

Section 1732(a) by tradition and by its language is limited to "any writing or record" which is made as a "memorandum or record" of an act. Such "writing or record" relates to papers which in fact *record* or *set down in writing* that which *is or has transpired.*

It is not conceivable that Section 1732(a), or any rule of evidence in the Federal Courts, permits, either a paper of intention, opinion or prophecy, to establish a subsequent act or occurrence.

In the present case, the issue of fact on which the drawings and papers from the files of the Bodinson Company were offered was the construction of the "Alabama" plant as erected. A draftsman's suggestion, or intention, or opinion, as to what should be in the plant is immaterial and irrelevant.

Nevertheless, the Court of Appeals erroneously concluded the drawings and papers admissible to prove structure, parts and pieces of the plant of which the exhibits cannot possibly be a record or memorandum.

An Important Rule of Evidence Is Derogated by the Decision of the Court of Appeals

The present age of the written word and record, together with the complexity of business life, make the business entry an important factor in judicial proceedings of all kinds.

The rules of evidence regulating the use of writings and records in the Federal Courts go to the heart of many cases, even as they do the present case.

The decision of the Court of Appeals cannot be said to be peculiar to patent litigation. The language and ruling of the Court below is in general terms. The problem is not limited to the structure of a plant or device. It applies equally to the existence or occurrence of any business transaction, debt, payment, employment, write off, deduction, and many more.

The question here presented is equally pertinent to problems in accounting and bookkeeping. Are unauthenticated documents found in a corporation's files admissible upon evidence of accounting and bookkeeping practices as they existed, some nine years after dates on the documents. Even in the realm of the tra-

ditional business entries, more must be proved to establish the "trustworthy" character of the documents offered.

The decision of the Court of Appeals in this case opens the door far beyond those limited documents whose character, and circumstance of origin, are earmarks of reliability. To avoid the test of cross-examination by such means is contrary to the principles of judicial procedures announced by this Court.

In summary, it is urged that Question II also presents a serious question of major importance in the trial procedure of the Federal Courts.

III

THE COURT OF APPEALS ERRONEOUSLY HELD AN INVENTION FOR A SPECIFIC COMBINATION OF ELEMENTS IS ANTICIPATED BY A PRIOR USE WHICH DID NOT PROVIDE THE FUNCTION OF THE PATENTED INVENTION AND ONLY INCLUDED A PART OF THE ELEMENTS OF THE CLAIMED COMBINATION

In the patent law, an applicant is entitled to a patent, unless, among other reasons:

> "the invention was . . . in public use or on sale in this country more than one year (here two years) prior to the date of the application for patent" . . . 35 U.S.C. 102(b) (supra)

Claim 5 of Johnson patent No. 2,138,172 in suit is a claim defining a specific combination of elements embodying the invention asserted by the petitioner.

A patentable combination of elements has been defined by this Court as one in which:

> "The conjunction or concert of known elements must contribute something; only when the whole in some way exceeds the sum of its parts is the

accumulation of old devices patentable". *Great Atlantic & Pacific Tea Co.*, v. *Supermarket Corp.*, 340 U.S. 147 (1950).

The law as to what "anticipates" such a patent claim is summarized in Walker on Patents, (Deller's Ed.) Vol. I., p. 255.

> "Therefore in order to negative novelty or, as it is usually expressed to 'anticipate' an invention, it is necessary that all of the elements of the invention or their equivalents be found in one single description or structure where they do substantially the same work in substantially the same way." See also *Bates* v. *Coe*, 98 U.S. 31, 43 (1878).

The Court of Appeals characterized the invention "as a combination" of certain elements by which

> "the cement is discharged simultaneously (or nearly so) with the aggregate, by gravity, through the center of the 'flowing shaft of aggregate',"

and an element which operates such that

> "water is supplied to the aggregates by a tubular stream surrounding the aggregate. The simultaneous fall causes a certain amount of 'commingling' prior to the batch reaching the pre-mix truck or mixer." (Opinion, Court of Appeals, page 1.)

There is no question that the "Alabama Street" plant weigh batcher did not provide the "commingling" function taught by the patent and that it did not have any element or device for supplying the water in "a tubular stream surrounding the aggregate."

There is no question that the record has no prior art teaching or disclosure of such an element, or equivalent.

There is no question on this record that the combination of claim 5 produces a new and different result from the coaction of the elements of the entire combination. (R. 204, 205.) The respondent made no proof to the contrary. Indeed, the witness Cornett positively established that there was no "commingling" in the "Alabama Street", apparatus of the type provided by the patented apparatus. (R. 535, 539, 540.)

Nevertheless, the Court of Appeals without discussion in its opinion of the nature of a "combination" in patent law, affirmed the invalidity of claim 5 as "anticipated" by the Alabama Street plant. The District Court had made it clear that if not found in the "Alabama Street" plant the invention was not anticipated. It expressly refused (R. 648) to find that the claims did not otherwise define an invention, and twice stated that it was basing its decision on "all the evidence in the case". (R. 650)

Thus the question here presented is whether or not a claimed invention can be "anticipated" by a prior use or disclosure when the prior device lacks both the functioning and an element of the claimed combination, and there is no prior teaching of an equivalent for the missing element.

The Decision Below Is in Conflict With the Decisions of This Court and of Other Circuits

It is the established rule of this Court and in numerous other circuits that there can be no "anticipation" unless all of the elements of the invention or their equivalents are found in the prior art where they achieve substantially the same result in substantially the same manner.

In *Topliff* v. *Topliff and Another*, 145 U.S. 156, 161, this Court held:

> "It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions."

Also see *Cantrell* v. *Wallick*, 117 U.S. 689, 695.

And in *Carnegie Steel Co.* v. *Cambria Iron Co.*, 185 U.S. 403, 424, this Court said:

> "This defense presents the common instance of a patent which attracted no attention, and was commercially a failure, being set up as an anticipation of a subsequent patent, which has proved a success, because there appears to be in the mechanism described a possibility of its having been, with some alterations, adaptable to the process thereafter discovered. As hereinafter observed, a process patent can only be anticipated by a similar process. It is not sufficient to show a piece of mechanism by which the process might have been performed."

The same can also be said of a prior use, the Alabama St. plant, which failed to gain the attention of an industry.

The Fourth Circuit in *Imperial Bottle Cap & Mach. Co.* v. *Crown Cork & Seal Co.*; 139 F. 312; 320, held "The finding in the old devices, one portion here, one in another, and so on, should not defeat a patent for the combination, which is only truly anticipated by a prior device having identically the same elements, or their mechanical equivalents, cooperating to produce the same results."

The Ninth Circuit in *Butler* v. *Burch Plow Co.*, 23 F. (2d) 15, 26, held there was no anticipation where "there was nothing known to the art which would perform the functions of the Burch spreader."

The First Circuit in *Independent Coal Tar Co.* v. *Cressy Contracting Co.*, 260 F. 463, 469, held "None of the patents cited in the Patent Office or by the appellant disclose the combination of Pillsbury or any single machine that produced the same result."

The Eighth Circuit in *Ottumwa Box Car Loader Co.* v. *Christy Box Car Loader Co.*, 215 F. 362, 369, held "It is indispensable that all of them, or their mechanical equivalents, be found in the same description or machine, where they do substantially the same work by the same means."

The Second Circuit in *Hockwood* v. *General Fire Extinguisher Co.*, 8 F. (2d) 682, 686, held a prior device did not anticipate which was not "designed by its maker, nor adapted nor actually used, for the performance of such functions."

The Decision Below Misplaces the Burden of Proof

The Court of Appeals made no effort in its ruling to find a basis in this record, or on any other ground to sustain its determination that claim 5 was invalid. It apparently did not consider the record a necessary part of the case so long as the patent was held invalid.

The rule of the Federal Court system has been, and is, that the judgment of the court is founded on the record before it. That rule is subject only to the carefully limited exception of judicial notice. Here, there was no attempt to justify the holding of invalidity on

the ground of judicial notice. And there can be no such justification.

The Court of Appeals erred in failing to require, at least, a scintilla of evidence on which a proper finding could be based. There is no question of weight of the evidence, but rather a question of any evidence. That evidence is lacking.

One attacking the validity of a patent has the burden of proof (Section 282, Title 35, U.S.C.)

One who seeks to invalidate a patent by evidence of a prior public use of the invention must prove his case "beyond a reasonable doubt". *The Barbed Wire Patent*, 143 U.S. 275.

In summary, by reason of the wide departure of the Court of Appeals from the line of cases establishing the requirements for an "anticipation", Question III also presents a serious question of major importance in the trial procedure of the Federal Courts.

CONCLUSION

The Petition for Writ of Certiorari should be granted.

Respectfully submitted,

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Of Counsel:

JARRET ROSS CLARK
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APPENDIX "A"

Opinion of the District Court

(R. 650-651)

The Court: So, I don't think it is necessary to extend this matter any further. I am going to find that the plant in San Francisco was built prior to the date of the application for the patent in suit, and that the claims of the patent in suit read upon the claims of the plant in San Francisco, and because of that the patent is illegal and void.

Mr. Sellers: May I ask, your Honor, is your Honor basing that solely upon the testimony of the witnesses Murasko and Cornett, or are you—

The Court: I am basing it upon the testimony of all the [634] witnesses, all the evidence in the case, not just one witness.

Mr. Sellers: May I ask, are you including in that the evidence produced by Mr. Bodinson under the business records?

The Court: I am including all of the evidence that was introduced, all of it.

Mr. Sellers: Thank you, your Honor.

The Court: I am satisfied that my ruling is correct relative to the introduction of the drawings. You have a perfect right to test my judgment in that case. I have no objection, if you want to appeal. It is perfectly all right with me. If the Circuit wants to reverse, it is perfectly all right with me.

Also, as I indicated in my statement the other day, I will not award costs or attorney's fees to either side. Each side will bear their own costs. Now, I may say that that only applies to this trial. If there is an appeal and a reversal and it comes back, then I will consider the question of awarding attorneys' fees and costs on a new trial and the appeal, not upon the old trial.

As far as I am concerned, from this time on there will be no costs and no attorney's fees, but I have an open

mind if anything happens in the future. You understand, do you?

So if there is an appeal and if counsel feels that—and I am satisfied he feels that an appeal should be taken if [635] his client will agree an appeal should be taken, and there is a reversal and the case comes back, then I will consider costs and attorneys' fees relative to the new litigation from this time onward. But my order relative to costs and attorneys' fees stops with the filing of the judgment.

Court will stand in recess.

Mr. Sellers: Your Honor, may I ask before we stop, does that apply to claim 5, too? You remember there is not one iota of evidence relating to anticipation of claim 5. Claim 1, yes; but the plant in San Francisco was never alleged to have circular water means.

The Court: I am satisfied it applies to the entire suit. Now, Mr. Lyon, will you prepare the findings of fact according to the rules?

Mr. Lyon: Yes, sir.

The Court: All right. Court will stand in recess until 10:00 o'clock tomorrow morning.

[Endorsed]: Filed June 28, 1956. [636]

APPENDIX "B"

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 15,249

Mar. 29, 1957

C. S. JOHNSON COMPANY, a Corporation, *Appellant*,

vs.

MERLE W. STROMBERG, Doing Business as California Batching Equipment Co., *Appellee*.

Appeal from the United States District Court for the Southern District of California, Central Division.

Before: STEPHENS, CHAMBERS and BARNES, Circuit Judges

BARNES, Circuit Judge:

This is a suit for infringement of United States Letters Patent No. 2,138,172, for a concrete Batching Apparatus invented by plaintiff's assignors. The patent issued November 29, 1938, expired November 29, 1955. (The filing date was February 10, 1937.) Suit was instituted August 25, 1954. By the time trial was had, the prayer for injunctive relief was moot.

The invention may be succinctly described as a combination patent, whereby a cement hopper is centrally located within an aggregate (sand and rock) hopper, each hopper being independently supported so that their contents can be separately weighed, with the respective hopper discharge gates being so concentrically located that the cement is discharged simultaneously (or nearly so) with the aggregate, by gravity, through the center of the "flowing shaft of aggregate," while water is supplied to the aggregates by a tubular stream surrounding the aggregate. The simultaneous fall causes a certain amount of "commingling,"

prior to the batch reaching the pre-mix truck or mixer. If no water is added, a dry batch is, to a certain extent, "commingled."

By such a procedure, various advantages are claimed: (1) a reduction in the amount of cement lost through "dusting;" (2) the reduction of "balling" and "guniming" by preventing the cement from hitting the mixer sides or mixer blades before the aggregate does; (3) a speeding up of the final and necessary "pre-mixing," or "mixing;" (4) a preshrinking of the size of the total of ingredients prior to transportation to the job site; and (5) some reduction of batching plant size and height, with resultant cost of construction saving.

By stipulation, [Tr. 29, 151], the trial proceeded only as to claims 1 and 5 of the patent. As appellant says:

"Claim 1,[1] shown in plaintiff's Exhibit 15, is a broad claim which covers . . . all the accused plants." * * * "Claim 5,[2] shown in plaintiff's Exhibit 17, is a much more specific claim which covers . . ." but two plants.

---

[1] Claim 1. "In a batching apparatus of the class described, in combination, a main hopper to receive aggregate material, an auxiliary hopper disposed within the main hopper, weighing mechanisms one for each hopper, and means for connecting the hoppers with the weighing mechanism therefor so that each hopper may move independently relatively to the other and the materials contained therein."

[2] Claim 5. "In a batching apparatus of the class described, a main hopper to receive coarser aggregate material, an auxiliary hopper to receive cement disposed so as to discharge the cement onto and into the coarser aggregate material, discharge means for each of said hoppers, the same being concentrically disposed and serving to produce commingling of the cement and coarser aggregate, means whereby the quantity of the cement in the cement hopper and the quantity of coarser aggregates in the main hopper therefor may be accurately measured independently, means for discharging each of said hoppers to effect the commingling action referred to as the aggregates pass from the hoppers flowing in a shaft-like stream while the hoppers are discharging, and instrumentalities to supply water to the flowing shaft of aggregates in a tubular stream surrounding said aggregates and flowing into same at an angle thereto."

"From the above it will be understood that Claim 1 must be held valid and infringed if plaintiff is to be given substantial relief. The upholding of Claim 5, although also much desired by plaintiff, will result in greatly diminished relief since Claim 5 covers two plants only."

Claims 1 and 5 were held invalid by the trial court, solely on the ground of an alleged prior public use at a batching plant constructed and operated by strangers to the present action at 235 Alabama Street, San Francisco, California. [Findings of Fact and Conclusions of Law, Tr. pp. 78-84]

It is obvious from a reading of the Transcript that the defendant discovered at the last minute the prior use relied upon at the trial. Counsel for defendant at the conclusion of the direct testimony of plaintiff's first witness, on March 13, 1956, (a Tuesday) advised the court and opposing counsel that on the preceding day, Monday, he had received for the first time drawings of an alleged prior use; and that his client, the defendant, had heard about such prior use "the middle of last week," [Tr. 157] and defense counsel learned of it "last Thursday or Friday, Friday afternoon." (March 9th, 1956.) [Tr. 160].

While the defendant's answer had raised a claimed lack of invention in plaintiff's patent, and a sale in this country "more than two years prior to the date of the application for the patent in suit," the pretrial memoranda filed by counsel for defendant on March 7, 1956, did not mention the specific prior use introduced and primarily relied upon, at the trial.

It should be noted here that the plaintiff had filed its pretrial memorandum on July 20, 1955. It had urged and insisted on trial as soon as possible. Defendant, (whether through fault or otherwise) had caused and apparently welcomed delay, and had substituted new defense counsel at a late date, after the first counsel for the defendant had requested that he be substituted out. New defense counsel filed a motion to continue the trial, which was denied. Due

to congested court calendars, there was delay before trial of the action could be reached:

Plaintiff urges this Court to reverse the lower court's findings and judgment because:

> "*Point I.* The trial court erred in finding the evidence on the apparatus at 235 Alabama Street, San Francisco, California, to be such, as a matter of law, as to invalidate claims 1 and 5 of Johnson patent No. 2,138,172.
>
> *Point II.* The trial court abused its discretion by admitting evidence relative to the Alabama Street plant despite failure by defendant to comply with 35 U.S.C. 282.
>
> *Point III.* The documentary evidence relative to the Alabama Street plant is hearsay, and was not properly admitted under 28 U.S.C. 1732(a)."

[Appellant's Open. Brief, pp. ii, iii.],

and further urges Point IV, that the defendant's infringement is clear, and therefore, Point V, there is no necessity of a remand.

Because we cannot agree with appellant's first three points, and hence affirm the lower court, we need not deal with Points IV and V. We will discuss the first three points in turn.

"*Point I.* The trial court erred in finding the evidence on the apparatus at 235 Alabama Street, San Francisco, California, to be such, as a matter of law, as to invalidate claims 1 and 5 of Johnson patent No. 2,138,172."

Here the trial court, (if we assume the evidence of prior use was properly before it) had the testimony of three witnesses to rely on: Murasko, Cornett, and Bodinson, together with many written Exhibits. Certainly the individuals gave testimony, which, if believed by the trier of fact, was

sufficient to justify the finding of prior use here questioned.[3]

A careful review of the entire record leaves no doubt in our minds but that a certain batching plant existed on Alabama Street in San Francisco as early as 1931, and perhaps 1930. There were many details given by the witnesses above named, (such as jobs supplied with concrete mix from this plant, giving names and locations, and the years supplied). It is true that the existence of "a batching plant" in 1931 or 1932 does not prove the existence of a plant similar to plaintiff's claimed invention, nor one which demonstrated a prior use of the patented art. But this preliminary deficiency was amply made up through the detailed and knowledgable testimony of Murasko. He testified he was present when the batching machinery was installed and helped install it. He operated it from 1931 until the last day of May, 1942. He had been in charge of a somewhat similarly constructed batching plant at another (Geneva Avenue) address, and came to the Alabama Street

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[3] "The burden of proof imposed upon a party tendering the issue of prior public use is a heavy one. It is not satisfied by a mere preponderance of the evidence, but is borne successfully only if the evidence is clear and satisfactory—perhaps beyond a reasonable doubt. It is not the rule, however, that oral evidence is insufficient as a matter of law in all cases; nor does the rule require the trial court to discard credible testimony merely because it is oral and because it deals with events and circumstances long past. If the evidence as to prior public use is such that it would be accepted as satisfactory and convincing in any other kind of case, criminal or civil, then the degree of proof fixed by law to establish such use is attained. Radio Corp. of America v. Radio Engineering Laboratories, 293 U.S. 1, 7, 55 S.Ct. 928, 931, 79 L.Ed. 163; Paraffine Companies, Inc. v. McEverlast, Inc., 9 Cir., 84 F.2d 335, 339, 341; Rown v. Brake Testing Equipment Corp., 9 Cir., 38 F.2d 220, 224; International Carbonic Engineering Co. v. Natural Carbonic Products, Inc., D.C. Cal., 57 F.Supp. 248, 258, affirmed 9 Cir., 158 F.2d 285; Becker v. Electric Service Supplies Co., 7 Cir., 98 F.2d 366."

Whiteman v. Mathews, 9 Cir., 216 F.2d 712, at 716.

plant when the wooden frame had been built, before any hoppers or scales had been added. He described the hoppers in detail, and knew who made them. He described the separate scales, and knew who manufactured them, and what company had installed them. The cement hopper was located "dead center" above the aggregate discharge. No cement could reach the truck or stationary mixer unless and until the aggregate discharge was also opened.

Murasko had seen the same general type of construction at the "Geneva Avenue and Tara Street plant" of the Bode Ready-Mix Concrete Company in 1930. (There the cement hopper had been within the aggregate hopper, but off to one side, not directly above the aggregate discharge opening.)

Cornett had worked under Murasko at the same plant from 1933 or 1934 to 1942, and was in charge of that same plant himself from 1942 to 1945. His sole job was to operate the plant; he gave ample evidence under cross-examination that he had done so, and was completely familiar with the manner in which it was constructed and, more particularly, operated.

The witness Bodinson, President of the company (since 1940) that built the Alabama Street plant in 1931, first saw the plant erected, when during his high school days, he had worked on Saturdays and vacations. This he had done continuously from 1928 or 1929 on. He later worked full time until 1940, when he succeeded his father as president. He had first visited the plant on a Saturday in the fall of 1931.

Mr. Bodinson identified drawings taken from his company's files, which were customarily kept therein. He described how these records were consecutively lettered and numbered, and how filed. Defendant's Exhibit A, for example, was identified as a drawing "made in our company December 4, 1931 by Mr. Pete Hansen, his initials are P. H. and his signature (sic) I recognize." The same system was followed by this company in keeping records after Mr.

Bodinson went with his father's company as before, except that drawings are now microfilmed for added protection. Mr. Bodinson actually saw a drawing of the Alabama plant while it was in the course of being constructed, although he frankly admitted he was too young, and had no reason, to study it, or advise anyone concerning it.

Bodinson was a mechanical engineer, registered as such by the State of California, and could read and prepare engineering drawings and blueprints. He identified drawings of the slide gates on the cement hopper, (Defendant's Exhibit F); of the bottom of the storage bins, (Defendant's Exhibit G); of the cement weigh hopper and rotary feeder, (Defendant's Exhibit H); of the independently hung cement hopper within the aggregate hopper, (Defendant's Exhibit I); of the feeder drive and cement scales, (Defendant's Exhibit J). All these related to the alleged prior use; and were purportedly prepared just prior to the time the Alabama Street plant was to be built. Some were dated 1931.

Next the witness identified Defendant's Exhibit K as the "shop order," made by Bodinson Manufacturing Company, dated August 3, 1931, covering the building for the Kaiser Paving Company of the Bode Gravel Company plant at 16th and Alabama Streets in San Francisco, to which location the machinery was shipped. Said the witness:

> "It details, spells out in detail, every bolt, nut, drawing number, bearing, hopper, general description of everything that goes into the construction of that particular order." [Tr. 566]

This shop order likewise came from the company's files.

Defendant's Exhibit L, was the shop order for drawing L-2488, which was Defendant's Exhibit A in evidence, of the cement hopper. Other shop orders (Defendant's Exhibits M, N, O and P) covering other portions of the Ala-

bama Street plant were also introduced, and all again, from the company's files.

This written contemporaneous evidence, if properly before the court, substantiated not only the oral testimony as to the existence of the prior plant, but also the prior use of the art claimed in plaintiff's invention.

Our duty is not to weigh the evidence, nor to pass on the credibility of witnesses.[4] We cannot disturb the trial court's findings on this issue, in view of the record above.

"*Point II.* The trial court abused its discretion by admitting evidence relative to the Alabama Street plant despite failure by defendant to comply with 35 U.S.C. 282."

35 U.S.C. 282 reads as follows:

> "In actions involving the validity or infringement of a patent the party asserting invalidity or non-infringement shall give notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires."

Counsel for plaintiff would have us deny to the trial court the discretion specifically given it by the last sentence of said statute.

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[4] Georgia Kaolin Co. v. Thiele Kaolin Co., 5 Cir., 228 F.2d 265; Cutter Laboratories v. Lyophile-Cryoclem Corp., 9 Cir., 179 F.2d 80; Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co., 9 Cir., 151 F.2d 91; Central California Canneries Co. v. Dunkley Co., 9 Cir., 247 F. 790.

That we cannot do. It is obvious that the purpose of the thirty day notice rule is to prevent surprise at the trial; to enable both sides to better understand their adversaries case; and to cut down on "expensive delays," or to prevent "a loss of a cause." (*Philadelphia, etc.* v. *Stimpson*, 39 U.S. 448, at 459 (1840).) The very purpose of the exception, as cast by Congress, was to permit and aid the ascertainment of the truth "on such terms as the court requires." This is true, even though we assume a defendant or his counsel were dilatory or neglectful in their defense of patent litigation, (a matter upon which we do not here pass judgment).

The notice provision in the statute is salutary. It should be encouraged, but the rule requiring it has its exceptions. The determination when the exception should be ruled rests within the discretion of the trial judge.

Here the trial judge postponed the trial from Friday, March 16th, 1956, to April 23rd, 1956, at 2:00 P.M., a period of thirty-eight days. Plaintiff's counsel had requested "a few days." [Tr. 598] The continuance granted was more than plaintiff had requested.

The Court said:

> "How about April 23rd? That will give you nearly a month (sic). That will give you a time to investigate."
> "Mr. Sellers: I don't have my calendar, but as far as I know, that is all right." [Tr. 599]

When court convened on April 23rd, 1956, no further time was requested by plaintiff.[5] He could have recalled de-

[5] "Mr. Lyon: Ready, your Honor.
Mr. Sellers: Ready.
The Court: On this Stromberg matter, I continued it until this afternoon in order to give the plaintiff an opportunity to make an investigation in San Francisco to determine whether or not the plant as described at the trial had been established when the witnesses said it was established and whether it did the things the witnesses said it did. I am perfectly willing to hear you at this time.

fendant's witnesses for cross-examination, but he chose not to do so. He could have called his own witness, but he did not do that, either.

The trial court went far to see that his discretion was exercised in a fair and judicial manner. He enabled plaintiff's counsel to make all the investigations he apparently desired to make. We think clearly the court's action was a proper exercise of the court's discretion.

Nor are we impressed with plaintiff's argument that because the pleadings which the judge had studied before the trial disclosed issues (i.e., injunctive relief) which the delay in reaching a trial date eliminated from the case, is any proof of an abuse of the trial court's discretion. Counsel for plaintiff states (p. 21, Opening Brief) the trial court also indicated its belief that it would be unjust "at this late

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Mr. Sellers: May it please the court, the plant dates back to 1931, your Honor will remember, it is so alleged, and it is the testimony of one of the defendant's witnesses that the plant was disintegrating in 1947 and the plant was scrapped. We were unable to find that was not a correct statement. As of this time there is no plant so far as we can ascertain that can be checked to see what was in it.

The Court: Well, I am satisfied, as I said before, there is some evidence in the Water Department or in the Power & Light Department as to when service first was given in this plant.

Mr. Sellers: If I may say so, your Honor, that would only establish that there was a plant there.

The Court: That's right.

Mr. Sellers: We are not particularly concerned with whether or not there was a plant there, but whether or not there was a plant there which anticipated the patent here in suit, and whatever might be in the Water Department or in the way of issued licenses would not establish that point.

The Court: What are we going to do with the testimony of these witnesses?

Mr. Sellers: Well, your Honor, I am going to throw it out, if I can.

The Court: All right.

Mr. Sellers: In other words, there has been testimony given here which was not noticed properly, and your Honor has tried to

date" [Tr. 501] to award damages on a patent if it were invalid.

> "From the above it will be understood that the Trial Judge believed there was *more reason for admitting the evidence and holding the patent invalid after its expiration than before . . .*"

We do not agree that plaintiff's reasoning is valid as to the judge's belief. We concur with the trial court that it would be unjust "at this late date," or at any date, "to award damages on an invalid patent."

"*Point III.* The documentary evidence relative to the Alabama Street plant is hearsay, and was not properly admitted under 28 U.S.C. 1732(a)."

Title 28 U.S.C. § 1732(a) reads as follows:

> "In any court of the United States and in any court established by Act of Congress, any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event, shall be admissible as evidence of such act, transaction, occurrence or event, *if made in the regular course of any business,* and *if it*

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do equity in that connection by giving us additional time, for which we thank you.

On the other hand, it was a fact that at the time of the trial we didn't have the opportunity to study the drawings that were produced and to examine these witnesses with that preparation. The witnesses are no longer here, and we are not asking that they be returned at this time, but we believe that under the governing rules of law this alleged prior use is not properly before this court, and that which is before the court does not carry conviction.

It is our understanding that in addition to pursuing any additional evidence this afternoon, we would also have our final arguments. Am I right in that, your Honor?

The Court: I will be glad to listen to you.

Mr. Sellers: I think, then, that is where we should go from here."

[Tr. 600, 601]

was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence or event *or within a reasonable time thereafter.*

All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but such circumstances shall not affect its admissibility.

The Term 'business', as used in this action, includes business, profession, occupation, and calling of every kind." [Emphasis added]

Counsel for plaintiff, at the trial, objected that because the drawings and shop orders, taken from Bodinson Company's files were old when offered, it was necessary to produce *some one working at the business when the documents were made*, to identify them, and testify that they were then made "in the regular course of business." [Tr. 551]

Such a rule would exclude all business records made prior to the employment of present employees, unless they were found admissible under the ancient document exception. We know of no such intermediate area of non-admissibility. *Korte* v. *New York, H.H. & H. R. Co.*, 2 Cir., 191 F.2d 86.

There was sufficient foundation laid in this case for the admission of these documents. Even if we suppose that the drawings were made *before* their use in the construction of the plant, they fall within the general language, "made in the regular course of business;" it being "the regular course of such business to make such memorandum or record at the time of such act; transaction, occurrence or event." Words such as "transaction" and "event" do not limit the simultaneity to any certain narrow period of hours, or even days. *Kamm* v. *Rees*, 9 Cir., 177 Fed. 14, 23; 17 Cyc. 384.

The court having correctly permitted the written drawings and job orders in evidence, and not having abused its

discretion with respect to the waiver of the thirty day statutory notice of prior use, we find that the evidence amply supports the findings of a prior public use of the claimed invention, which invalidates both claims 1 and 5 of the Johnson Patent No. 2,138,172, as the trial court found.

The judgment is AFFIRMED.

(Endorsed:) Opinion. Filed Mar. 29, 1957.

PAUL P. O'BRIEN, *Clerk*.